

**Members**

Rep. Sheila Klinker, Chairperson  
Rep. Greg Simms  
Rep. Rochelle Vandenburg  
Rep. Robert Behning  
Rep. Dan Leonard  
Rep. Jeffrey Thompson  
Sen. Connie Lawson  
Sen. Greg Walker  
Sen. Brent Waltz, Vice-Chairperson  
Sen. Robert Deig  
Sen. Sue Errington  
Sen. Karen Tallian



## **INTERIM STUDY COMMITTEE ON ADULT EDUCATION ISSUES**

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**Authority:** P.L. 29-2008 (HEA 1193-2008)

### **MEETING MINUTES<sup>1</sup>**

<b>Meeting Date:</b>	<b>October 21, 2008</b>
<b>Meeting Time:</b>	<b>1:30 P.M.</b>
<b>Meeting Place:</b>	<b>H. Dean Evans Community and Education Center, 8550 Woodfield Crossing Boulevard</b>
<b>Meeting City:</b>	<b>Indianapolis, Indiana</b>
<b>Meeting Number:</b>	<b>3</b>

**Members Present:** Rep. Sheila Klinker, Chairperson; Rep. Greg Simms; Rep. Rochelle Vandenburg; Rep. Robert Behning; Rep. Jeffrey Thompson; Sen. Greg Walker; Sen. Robert Deig; Sen. Sue Errington; Sen. Karen Tallian.

**Members Absent:** Rep. Dan Leonard; Sen. Connie Lawson; Sen. Brent Waltz, Vice-Chairperson.

Representative Sheila Klinker, the chairperson of the Committee, called the meeting to order at 1:30 p.m. Before its meeting, the Committee had taken an on-site inspection of an adult education class operated by the Metropolitan School District of Washington Township (MSD of Washington Township).

Representative Klinker recognized Dr. James Mervilde, Superintendent of the MSD of

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<sup>1</sup> Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Washington Township. Dr. Mervilde welcomed the Committee to Washington Township, and he spoke to the Committee on the need to continually redefine public education in order for it to remain relevant.

Representative Klinker then recognized Todd DeLey, the Supervisor of Community and Continuing Education for the MSD of Washington Township. Mr. DeLey testified concerning the school district's adult education pilot programs, which involve collaboration with Ivy Tech Community College (Ivy Tech). He explained that the goal of the pilot program is to take students who are working on their general educational development (GED) diploma and to "hand them off" to postsecondary institutions at the appropriate point.

Representative Klinker recognized Dr. Stephen Cunningham, the Director of Alternative Learning and Principal of the Alternative High School Program at the New Albany - Floyd County Consolidated School Corporation. Dr. Cunningham noted that he was testifying on behalf of the Indiana Secondary Principals Association regarding the value of adult education. (See Exhibit A for an outline of Dr. Cunningham's testimony.)

Dr. Cunningham testified regarding the various reasons why high school students may not graduate and why adults need adult education for remediation and acquisition of diplomas. He briefly explained the adult education services provided by New Albany - Floyd County schools, and he described the need for workforce literacy education. He also noted that most of the adults served in adult education programs are low-income individuals.

Dr. Cunningham commented that Ivy Tech provides a cost-effective way for adults to obtain a college education, and he described the GED preparation classes that New Albany - Floyd County schools offer at Ivy Tech campuses. He noted that this leads to a lower transportation burden for students, which in turn makes it less likely that these students will drop out of adult education programs. Dr. Cunningham also testified that he believes that adult education programs can provide remediation at a lower cost than Ivy Tech. He explained that if a high school graduate uses financial aid from a federal Pell Grant to take remediation classes during the first semester at Ivy Tech (for example), the student may run out of Pell Grant money after three semesters, without finishing his or her associate's degree.

Dr. Cunningham testified that it makes sense to have school corporations running adult education programs as fiscal agents because the school corporations know many of the students and already have programs and facilities. He also stated that adult education programs desperately need an increase in funding. In response to a question from Representative Klinker, Dr. Cunningham recommended doubling of state funding for adult education.

In response to questions from Senator Karen Tallian, Dr. Cunningham testified that: (1) the general fund of New Albany - Floyd County schools is not used for adult education teachers' salaries, but that it is used for facilities; and (2) approximately 21% of adult education students served by New Albany - Floyd County schools are between 16 and 24 years of age. In response to a question from Senator Robert Deig, Dr. Cunningham stated that flat-lined state funding has caused New Albany - Floyd County schools to close five adult education sites, and that some of the students attending those sites did not continue in the program at other locations.

Representative Klinker then recognized Mr. James Edwards, a member of the Indiana State Board of Education, the chair of the Southwest Indiana Network for Education (SINE), and the chair of Indiana Chamber of Commerce's Ready Indiana Initiative. (See

Exhibit B for a copy of material distributed to Committee members by Mr. Edwards.)

Mr. Edwards testified that there are more than 931,000 adults in Indiana who are in need of adult education, and that 524,000 of these adults do not have a high school diploma. He testified that at current rates of adult education, it would take 22 years for all of these persons to achieve a degree. Mr. Edwards then described the additional earning capacity that would result from achievement of a GED by adults who currently do not have a high school diploma. He estimated that if 10% of the adults without a high school diploma were to achieve a GED diploma, the additional lifetime earnings for these individuals would be over \$471 million.

Mr. Edwards then discussed a recent article from the "Indiana Education Insight" newsletter concerning the economic drag on Indiana from high school dropouts. He described the number of GED diplomas awarded in the counties served by SINE, and he noted that the number had declined in the last few years because certain grants had expired. He also described adult education programs in which the providers would go into an employer's place of business, determine the needed skills, and then attempt to provide individuals who are trained with these skills.

Mr. Edwards commented that it was important to "raise the bar" for adult education, and he noted that education is rated as the most critical issue in determining Indiana's future economic development. He also provided Committee members with a letter from Tom Utter, the Executive Director of the Lincolnland Economic Development Corporation, concerning the relationship between adult education and economic development.

In response to a question from Representative Robert Behning, Mr. Edwards explained that an on-line system for some adult education programs exists, but that it is not used to the fullest extent. Representative Greg Simms stated that he had taught by using distance learning, but he wondered whether this could work with English as a second language (ESL) programs. Mr. Edwards responded that he had not considered distance learning in the context of ESL programs. Representative Behning commented that he believes there is an opportunity for distance learning to be used to teach ESL programs.

Representative Klinker then recognized Roger Feldhaus, the Executive Director of the Tecumseh Area Partnership, Inc. (See Exhibit C for an outline of Mr. Feldhaus' testimony.) Mr. Feldhaus described the WorkOne system as being: (1) demand-driven by employers; (2) skills-based; and (3) delivering services in a vertically integrated manner. He explained that the WorkOne system is led by a regional workforce board, which contracts with an entity (such as the Tecumseh Area Partnership) to be the regional operator. He described the duties of a regional workforce board as being: (1) strategic planning; (2) oversight; and (3) quality assurance.

Mr. Feldhaus stated that it is important for a regional operator to identify and develop relationships with "growth-driver" industries and to determine the skills demanded by these industries. He noted that it is also important for regional operators to develop relationships with local economic development organizations, postsecondary educational institutions, and providers of adult basic education.

Mr. Feldhaus described the relationship between the Tecumseh Area Partnership and the Lafayette Adult Resource Academy (LARA) as demonstrating "best practices" because of the connection between workforce development and adult basic education. He described efforts at horizontal alignment of workforce development and adult basic education, and he stated that regional coordination is essential to this horizontal alignment. He suggested that this coordination is best achieved by having one regional entity serve as the regional

operator for activities funded by the state Department of Education (DOE).

Senator Greg Walker noted that for some employers there may be a need for employees with a particular skill, not necessarily a GED, and that therefore there is a need for more than one "avenue" of training.

Representative Klinker recognized Glenna Shelby to speak on behalf of the Indiana Association of Private Career Schools. Ms. Shelby explained that the Association represented degree-granting proprietary schools (commonly referred to as "career schools"), and she gave examples of career schools that are members of the Association. She noted that according to data from the Indiana Commission on Proprietary Education, over 20,000 students attend career schools.

Ms. Shelby stated that the degrees offered by career schools ranged from applied associate's degrees to post-master's degrees, and that most schools offer certificate programs as well as degree programs. She testified that the focus of career schools is to fill workforce needs, and she discussed how career schools fit into the system of adult education.

Representative Klinker then recognized Gail Zeheralis of the Indiana State Teachers Association. Ms. Zeheralis stated that there are two issues that need to be addressed: (1) definitional issues regarding adult education programs; and (2) funding for adult education programs. She testified that these issues are more important than problems concerned with delivery of adult education services. She also suggested that the General Assembly should determine how much it values the various adult education programs (such as ESL programs, GED programs, and job-training programs) and then fund those programs.

Representative Klinker recognized Linda Warner, the Director of Adult Education for the DOE. Ms. Warner reminded the Committee members that at the Committee's first meeting she had stated that there was no "silver bullet" to solve the adult education funding problems of Portage Township schools and North Spencer schools, and she commented that the Committee could not be expected to construct an easy solution to these problems. She noted that the recognition of the need for and the demands of adult education have increased exponentially over the last few years, and she described a number of reports that have been released during the past two years about the need for educating the workforce. Ms. Warner then explained that adult education programs have broad purposes under state and federal statutes, and she noted that the programs are designed to serve individuals over age 16 who are out of school, not required to be enrolled in school, and who do not have a high school diploma or equivalent skills.

Ms. Warner explained that adult education performance is measured by five core outcomes, which are negotiated annually with the United States Department of Education: (1) increases in academic skills that equate to grade level gains; (2) entering employment; (3) retaining employment; (4) achieving a secondary credential; and (5) entering postsecondary education or other training. She noted that every student entering the adult education program must have the goal of increasing academic skills by at least two grade levels. She also described various optional performance measures that are in addition to the core performance measures.

Ms. Warner also testified that:

- (1) in the 2006 - 2007 program year, 80% of the students served entered the program with skills below the 9th grade level, and that it would not be reasonable to expect these part-time students to earn a secondary credential and transition to

- postsecondary education in one year;
- (2) approximately 93% of state funding is spent on instructional salaries for licensed teachers;
- (3) state rules allow for up to 15% of the allocated funds to be spent for administrative and support costs, but not for facilities;
- (4) school corporations have been reporting annual expenditures that are approximately \$1.3 million above what is reimbursed; and
- (5) school corporations that receive federal funds reported local matching funds of approximately \$4.3 million.

Ms. Warner discussed the work of the Joyce Policy Committee, and she noted that the DOE had recently signed a grant agreement with the Department of Workforce Development for training funds to support workforce education programs. She also testified that the DOE's proposed budget included an increase of \$2 million for adult education reimbursement, and that the DOE is recommending:

- (1) amending state law to allow the expansion of eligible providers to include (in addition to school corporations) the types of providers who are eligible for federal adult education funding;
- (2) combining state and federal funding to streamline the application process;
- (3) adopting a single funding formula that allocates state and federal funds based on target population needs;
- (4) designing a more equitable regional/multi-county delivery system;
- (5) encouraging local consortia of partnering organizations;
- (6) ensuring that the lead agency does not bear a disproportionate share of the local match for an entire district; and
- (7) implementing additional state performance goals.

Senator Tallian said that some members of the Committee support an increase in the appropriation that is more than the \$2 million recommended by the DOE. She stated that she was opposed to expanding the types entities eligible to receive state funding for adult education, and she commented that the testimony had not shown that school corporations are doing a bad job in providing adult education, just that there was insufficient funding. Senator Tallian also questioned whether more competition for funding would lead to less coordination and consolidation.

Representative Klinker then recognized Senator Sue Errington, who distributed to Committee members an information sheet prepared by the Council for Adult and Experiential Learning (CAEL) concerning lifelong learning accounts. (See Exhibit D.) Senator Errington described lifelong learning accounts (LiLAs), and explained that three LiLA demonstration projects have been conducted in Chicago, San Francisco, and northeastern Indiana.

Representative Klinker recognized Ed Gohmann, the Legislative Services Agency attorney for the Committee, who described Preliminary Draft 3367 (see Exhibit E) concerning entities eligible to receive state funding for adult education. Mr. Gohmann explained that under current law only school corporations are eligible to receive state funding for adult education, and that the proposed legislation would expand this to also include those entities that are eligible for adult education funding under the federal Adult Education and Family Literacy Act.

Representative Behning commented that expanding the entities eligible to receive state funding seemed advantageous and could result in administrative cost savings.

Senator Tallian stated that she disagreed with the proposed legislation, and that she could not support it. Senator Errington and Senator Deig questioned how funding determinations would be made if entities other than school corporations could receive state funding for adult education. Ms. Warner briefly described the process used for awarding federal adult education funds. She said that DOE would develop a similar evaluation process for awarding state funding.

Senator Deig suggested that the Preliminary Draft 3367 be amended to require school corporations to have the first option on the state funds. Representative Behning questioned whether federal law allows such an option for the award of federal funds and how that would impact any cost savings. Representative Klinker pledged to continue working to resolve differences on this issue. Preliminary Draft 3367 was moved and seconded, and then approved without amendment by the Committee with 7 "aye" votes and two "no" votes.

Mr. Gohmann then described Preliminary Draft 3372 concerning lifelong learning accounts. Preliminary Draft 3372 was moved and seconded, and then approved by the Committee with 9 "aye" votes and 0 "no" votes.

Mr. Gohmann then described the draft final report that had been distributed to Committee members. (See Exhibit G.) Representative Klinker explained why she had included a recommendation for an increase to \$20 million in annual state funding for adult education.

Senator Tallian suggested adding four additional findings of fact to the report:

- (1) Local school systems that are currently providing services for adult education are not being fully reimbursed.
- (2) Several programs have made cutbacks of services due to insufficient reimbursement.
- (3) Several school providers are in immediate danger of terminating their programs due to the inability to continue funding adult education out of the school general fund budget for K - 12.
- (4) The shortfalls caused by HB 1001 will exacerbate this funding crisis.

After discussion, these additional findings of fact were moved and seconded, and then approved by the Committee with 9 "aye" votes and 0 "no" votes.

Senator Tallian then suggested adding a recommendation to the final report to have the administrative rules reviewed to determine if some operating costs for adult education should also be reimbursed from state funds. After discussion, this additional recommendation was moved and seconded, and then approved by the Committee with 9 "aye" votes and 0 "no" votes.

Mr. Gohmann noted that one of the recommendations included two options, and that the Committee had approved a bill draft based on the first option. He asked the Committee if it wished to delete the second option from the report. Senator Deig suggested changing the proposed final report to provide that staff review the second option to determine if it would comply with requirements under federal law. This suggested change was moved and seconded, and then approved by the Committee with 9 "aye" votes and 0 "no" votes. Adoption of the proposed final report (as amended by Committee) was moved and seconded, and then approved by the Committee with 9 "aye" votes and 0 "no" votes.

There being no further business, Representative Klinker thanked the Committee members and the witnesses for their efforts. She adjourned the meeting at approximately 4:30 p.m.